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State of Idaho

Legislative Services Office

Management Report

A communication to the Joint Finance-Appropriations Committee

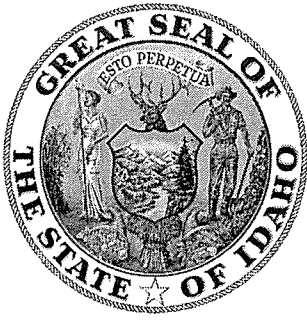
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# **DEPARTMENT OF ADMINISTRATION**

**FY 2005, 2006, and 2007**

**Report IC20007**  
**Date Issued: August 18, 2008**

*Serving Idaho's Citizen Legislature*



Don H. Berg, Manager

**Idaho Legislative Services Office  
Legislative Audits Division**

**DEPARTMENT OF ADMINISTRATION**

**SUMMARY**

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**PURPOSE OF MANAGEMENT REVIEW**

We conducted a management review of the Department of Administration covering the fiscal years ended June 30, 2005, 2006, and 2007. Our review covered general administrative procedures and accounting controls to determine that activities are properly recorded and reported. We completed additional audit procedures on the statewide telephone system, the Division of Public Works, and the Capitol Mall parking program, which included tests of the financial activities and related internal controls to determine compliance to program rules and identify opportunities for improvement.

The intent of this review was not to express an opinion, but to provide general assurance on internal controls and to raise the awareness of management and others of any conditions and control weaknesses that may exist and offer recommendations for improvement.

**CONCLUSION**

We did not identify any significant conditions or weaknesses in the general administrative and accounting controls of the Department or the specific controls over the statewide telephone program and the Division of Public Works. However, our review of the Capitol Mall parking program disclosed significant weaknesses and other conditions related to accounting procedures and compliance with existing laws and rules.

**FINDINGS AND RECOMMENDATIONS**

There is one finding and recommendation in this report.

**1. CAPITOL MALL PARKING PROGRAM**

Significant weaknesses exist in financial and enforcement controls and procedures.

The complete finding is detailed on pages 1 through 10. A copy of the entire report is available at <http://www.legislature.idaho.gov/audit/index.htm>, or by calling 208-334-4832.

**PRIOR FINDINGS AND RECOMMENDATIONS**

The prior management review for the fiscal years ended June 30, 2002, 2003, and 2004 contained four findings and recommendations. These issues were evaluated in the 90-Day Follow-up Report issued in June 2005 and are now considered closed. Both the prior management review and 90-Day Follow-up Report are available on our Web site.

## AGENCY RESPONSE

The Department reviewed the report and submitted a response to each section of the finding. The complete responses are included in the Findings and Recommendations section of this report.

## FINANCIAL INFORMATION

The following financial data is for informational purposes only.

Fund	Title	July 1, 2006 Beginning Cash or Appropriation	Receipts and Transfers In	Disbursements and Transfers Out	June 20, 2007 Ending Cash or Appropriation
0001	General Fund	\$8,754,208	\$13	\$8,754,221	\$0
0125	Indirect Cost Recovery	135,606	1,155,037	1,089,963	200,680
0150	Budget Stabilization	0	2,684,400	2,523,026	161,374
0275	E-911 Commission*	186,569	150,883	133,824	203,628
0348	Federal Grant	511	15,000	13,511	2,000
0365	Permanent Building Fund	32,776,488	268,242,884	109,898,241	191,121,131
0366	Governor's Residence Fund	44,981	168,495	165,178	48,298
0450	Administration and Accounting Services	4,490,571	18,584,810	17,859,428	5,215,953
0456	Surplus Property Revolving Fund	2,860	801,905	760,486	44,279
0461	Group Insurance	88,803,848	163,672,489	177,622,207	74,854,130
0462	Risk Management	7,776,291	6,087,527	11,248,723	2,615,095
0475	Professional Services	306,048	530,808	455,532	381,324
0481	Endowment Earnings	888,563	6,321,184	1,662,153	5,547,594
519	Special Indemnity Fund	3,991,241	640,198	3,761,521	869,918
Totals		\$148,157,785	\$469,055,633	\$335,948,014	\$281,265,404

\*This fund was moved to the Military Division at the end of fiscal year 2007.

## OTHER INFORMATION

We discussed other issues which, if changed, would improve internal control, compliance, and efficiency.

This report is intended solely for the information and use of the State of Idaho and the Department of Administration and is not intended to be used by anyone other than these specified parties.

We appreciate the cooperation and assistance given to us by the director, Mike Gwartney, and his staff.

## ASSIGNED STAFF

Eugene Sparks, CPA, CGFM, Managing Auditor

Kathleen Watkins, CPA, In Charge Auditor

Maresa Blessinger, Staff Auditor

Sherie Hoid, Staff Auditor

IC20007

# TABLE OF CONTENTS

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Finding and Recommendation ..... 1

Agency Response ..... 11

Appendix ..... 12

# FINDING AND RECOMMENDATION

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## FINDING #1 – CAPITOL MALL PARKING PROGRAM

Significant weaknesses exist in financial and enforcement controls and procedures.

### Purpose of Management Review

Our review and evaluation of the Capitol Mall parking program was conducted during February through April 2008, and was designed to include tests of the financial activities and related internal controls, determine compliance to program rules, and to identify opportunities for improvement. We did not cover every aspect of the Capitol Mall parking program, focusing our efforts mostly on those areas related to financial activities or the greatest risks of error or irregularity in program compliance.

### Overview

The Capitol Mall parking program was established within the Department of Administration, Division of Public Works in 1976. The chief of the Bureau of Facilities Services is charged with the responsibility to manage the limited parking resources within the Capitol Mall area. Idaho Code, Section 67-5708 provides the administrator of the Division of Public Works with the authority to promulgate rules, and this code establishes fines for violations of rules and for altering, counterfeiting, or misusing permits. Parking program rules are formally established within the Administrative Rules, Section 38.04.04, which are covered in 16 sections within five pages, and were last updated in July 1998.

The parking program involves managing a total of 1,203 parking spaces, which includes 568 spaces within the parking garage and 635 spaces in ten surface lots within the Mall area. The following schedule identifies the inventory of parking spaces as of March 2008 by type and purpose:

### Parking Space Inventory

Total parking spaces		1203
Reserved parking assigned to:		
State employees	110	
State agency vehicles	74	
Assigned handicapped	24	
Elected officials	22	
Agency directors	9	
Total reserved		239
Other restricted parking spaces:		
Visitor	39	
Handicapped visitor	24	
Car pool vehicles	23	
Borah building tenants	16	
Misc. (Loading, postal, etc.)	15	
Total other restricted		117
Total reserved and restricted		356
Remaining spaces for general employee parking		847

During legislative sessions, the parking program sets aside approximately 120 spaces for legislators and others, which reduces the available general employee parking spaces during the session to about 730. For the month of April 2008, the program collected fees for 1,051 general permits through payroll deduction.

#### Summary of Results

Recognizing that the Capitol Mall parking program is a sensitive issue for employees and others in the Capitol Mall, the efforts of this review were focused on raising the awareness of management to weaknesses in financial internal controls, enforcement, and consistency in applying rules and procedures. Improving the record keeping, financial controls, and application of consistent rules and procedures will ensure that participants in the parking program have confidence in the fairness of the process, and protect the Department of Administration from pressures to make accommodations for public officials and others that may be inconsistent with formally adopted rules and procedures.

Many of the issues we identified are intertwined and have common weaknesses that need improvement. We have summarized these conditions into four main areas.

#### **I. Financial Activities and Internal Controls**

1. Fees collected are not compared or reconciled to permits issued.
2. Cash handling and permit issuing activities are not segregated.
3. Fees and penalties have remained unchanged since the program was established in 1976.
4. Employee parking fees are not always collected through payroll deduction or automated deduction system as required.

#### **II. Enforcement**

5. Efforts to confirm the validity of permits are weak and ineffective.
6. Parking signs and other markings are missing or ineffective in deterring improper use.

#### **III. Reserved Parking**

7. Reserved spaces are improperly assigned, not paid for, or remain unassigned for months.
8. Rules over the reserved parking waiting list are not formally established.
9. The requirements and enforcement of assigned car pool spaces is prone to abuse.

#### **IV. Other Opportunities for Improvement**

10. Other considerations to improve the availability of parking.

#### **I. FINANCIAL ACTIVITIES AND INTERNAL CONTROLS**

1. Fees collected are not compared or reconciled to permits issued.

Parking fees are collected primarily through payroll deduction, with most of the remaining fees for temporary permits and other special use permits collected at the Facilities Services office. Employee information is entered into a database, but our review showed numerous errors, omissions, and invalid data existed with no process in place to confirm that fees were collected for all listed permits or that all collections were recorded.

A comprehensive reconciliation process is needed to ensure that fees are paid for all issued permits and to provide a current list from which to conduct enforcement efforts. Enforcement efforts are limited to confirming that a parking permit is displayed with no ability to confirm that current fees are paid.

We contacted staff at the State Controller's Office and determined that parking fee payroll deduction data from the Employee Information System (EIS) is available electronically, which would provide the information necessary to simplify the reconciliation process.

#### Recommendation #1

We recommend that the Department establish a reconciliation process to confirm that fees are collected for all permits issued. The reconciliation should compare fees collected through payroll deduction and all other collection processes to the database of issued permits to improve accountability and provide a valid list of permits for enforcement purposes.

##### Agency's Corrective Action Plan

Several actions have been taken to date. The State Controller's Office now requires all parking deductions from the first payroll of the month. Correspondence has been issued by Facilities Services to all parking program participants asking for updated information and from that, new parking tags will be issued. This exercise will eliminate parkers who are not paying for their current tags.

Once a new database is created, the Office of the CFO will design a reconciliation process utilizing a monthly report from the Controller's Office that can be compared to our in-house database. There will be delineation between those who have payroll deduction and those who pay cash so our fiscal staff will be able to make sure we are collecting for all parking tags issued. We anticipate resolving the reconciliation process during the first half of the fiscal year.

#### 2. Cash handling and permit issuing activities are not segregated.

One employee at the Facilities Services office is allowed to collect parking fees, issue permits, and enter the information into the database with no supervisor or other staff member involvement. No reconciliation is done to compare the total amount received to the number of parking permits issued. In addition, some collections are in cash, and the temporary permit forms are not pre-numbered or otherwise controlled. All of these conditions create a significant risk that errors or other irregularities could occur and not be detected.

#### Recommendation #2

We recommend that the Department segregate the activities of issuing permits and handling collections, pre-number or otherwise control temporary permits, and reconcile daily collections to permits issued to reduce the risk for errors or other irregularities.

##### Agency's Corrective Action Plan

A process is in place that segregates the issuing of permits from the reconciliation of receipts and cash records. A Capitol Mall parking employee issues temporary parking permits to contractors and temporary employees. All temporary permits are entered into a spreadsheet and numbered sequentially with a permit number. Permits that are issued for more than seven consecutive days are charged a five dollar per month fee. For each permit purchased, a receipt is issued including the date, individual's name, agency, amount paid, permit number, and whether it

was paid with cash or a check. (The only two types of payment accepted are cash or check.)

Each week (or anytime the amount exceeds \$150) the deposits are turned into the Division of Public Works financial technician who reconciles the spreadsheet with the receipts and the monies collected, and then submits them to the Office of the Chief Financial Officer for an additional review and deposit.

3. Fees and penalties have remained unchanged since the program was established in 1976. Administrative rules allow the Department to establish the monthly fees for parking not to exceed \$50 for reserved spaces and not more than 50% of this fee for general spaces. The fee for reserved parking spaces is \$25 per month and general spaces are \$5 per month and have remained unchanged for more than 30 years. Penalty amounts established in rule and Idaho Code have also remained unchanged for many years.

We did not evaluate the many factors involved in assessing whether the fees and penalties charged are equitable and appropriate. Although the current market for downtown parking is considerably higher, the collection of a fee provides an accounting event with which to better manage the use and assignment of parking spaces. Due to time constraints, we did not evaluate the process or disposition of penalties and fines.

Monthly fees are deposited in the Capitol Mall maintenance project account within the Permanent Building Fund. Total collections for fiscal year 2007 were about \$106,000 and offset a small portion of the overall cost of enforcement and maintenance of the parking structure and lots.

The fee structure, penalty processes, and related matters should be more fully evaluated by the Department and should include input from users of the Capitol Mall parking program.

#### Recommendation #3

We recommend that the Department establish a work group or committee to determine whether changes are needed to the Capitol Mall parking program fee structure, penalty processes, and related matters.

#### Agency's Corrective Action Plan

During FY09 Facilities Services will recommend revisions to the rules governing parking, including a review of the fee structure.

4. Employee parking fees are not always collected through payroll deduction or automated deduction system as required.

Administrative rules require that employee parking fees are collected through payroll deduction or other automated deduction system. However, fees for some employee parking permits are not collected through automated deduction, but are remitted at the Facilities Services office. Some fees are paid using a State warrant, indicating that employee parking is provided at State expense, while other fees are collected from entities that are not part of State government or for individuals who are not State employees. Administrative rules do not provide for the payment of employee parking fees with State funds or collecting employee parking fees from entities and individuals that are not employees or part of State government.

Employees are also allowed the option to select the payroll period during the month from which to deduct the fees. Most employees have the fee withheld from the first paycheck of the month. About 200 employees have the fee withheld from the last paycheck, and two employees split the fee between two paychecks. Administrative rules state that fees not paid by the 20<sup>th</sup> of the month are considered delinquent. The last pay check of the month falls after the 20<sup>th</sup> day in 10 of 12 months during calendar year 2008, creating the potential that more than 200 employees could be identified as delinquent.

The option to select the payroll period to withhold the fee creates additional work for the Department to gather the payment data necessary to reconcile the list of issued permits to the fees collected and to identify delinquent fees.

#### Recommendation #4

We recommend that the Department collect all employee parking fees through automatic payroll deduction as required by administrative rule. We also recommend that the Department require all employee parking fees withheld from the first paycheck of the month to simplify the reconciliation, issuance, and enforcement processes.

#### Agency's Corrective Action Plan

As mentioned above, a recent change made in July by the State Controller's Office with input from the Department of Administration, moved all eligible payroll deductions to the first pay period of the month. This change simplifies the reconciliation process for monthly parking deductions.

Contract employees working at the Capitol Mall are not a part of the state payroll system; therefore, they cannot participate in payroll deduction for parking. The IDAPA Capitol Mall parking rules indicate that contract employees may purchase a one to four-month parking permit for five dollars per month (the same rate as state employees).

## **II. ENFORCEMENT**

### **5. Efforts to confirm the validity of permits are weak and ineffective.**

Enforcement efforts are limited to confirming that a Capitol Mall Parking (CMP) permit is displayed in the vehicle. The data necessary to determine whether a fee for the current month was received for the permit displayed is not accurate or readily available to enforcement officers. As mentioned previously, the permit database is not reconciled to collections and even if it were, the enforcement officers do not have ready access to this when patrolling the parking lots.

We randomly selected 100 vehicles parked in general parking spaces on February 20, 2008 to assess whether the parking database was complete. We identified seven permits that were not in the database and determined that four of these were not paying the monthly fee.

General parking permits were last reissued more than seven years ago, and over this period many permits have become unaccounted for or lost. This occurs primarily because permits are not returned when employees leave State service, and no reconciliation is performed to identify and remove permits from the database when fees are no longer paid.

This is also the primary factor for the delays in reassigning reserved spaces to employees on the reserved parking waiting list, which is discussed further in issue #7.

The procedures for maintaining the database are not formalized and lack automation and other technologies, making the process labor intensive and prone to errors. With the weaknesses in enforcement, it is currently not possible using the existing database to identify whether all displayed permits are valid.

Technology is available at a reasonable cost that involves handheld devices with scanners or keypads to validate parking permits. These devices can also issue citations and connect to the primary system to upload and maintain records of valid permits, violations, and other information.

#### Recommendation #5

We recommend that the Department investigate available technologies and other options for issuing, enforcing, and accounting for parking permits.

##### Agency's Corrective Action Plan

Facilities Services will continue to investigate technologies capable of improving the parking program. We are in the process of issuing new parking tags, and will re-issue them on a yearly basis. This effort will assist in reconciling and maintaining the Capitol Mall Parking Data System.

#### 6. Parking signs and other markings are missing or ineffective in deterring improper use.

The entrances to the parking garage and most of the ten surface lots are poorly marked and do not adequately indicate that the spaces are for State employee parking only. In some instances, the signs are placed toward the back of the lot and do not include any language to deter misuse. The signs at the entrances to the parking garage are small and do not indicate that first floor parking spaces are reserved. These reserved spaces are not identified with the employees name or a space number as required by administrative rule.

#### Recommendation #6

We recommend that the Department install signs of a sufficient size at each entrance to the parking garage and all ten surface lots that identify the lots as employee parking only and the consequences for inappropriate use. We also recommend that the Department identify reserved spaces with the employee name or a numbering system and include appropriate signs where these spaces are located.

##### Agency's Corrective Action Plan

Facilities Services has begun the process of cleaning up several signage issues throughout the Capitol Mall. Specifically, we have established a standard uniform layout for signs based on the lots where they are posted. Within the first 90 days of FY09 we will be installing additional RESERVED PARKING ONLY signs on the 1<sup>st</sup> floor of the parking structure. The 1<sup>st</sup> floor spaces have been numbered; however, for security reasons we have discontinued the printing of employee names on parking spaces and signs.

### III. RESERVED PARKING

7. Reserved spaces are improperly assigned, not paid for, or remain unassigned for months. Administrative rules define the use and assignment of reserved parking and limits the number of spaces to no more than 18% of total available spaces. The rules allow for nine elected officials to each receive one reserved space at no cost, and each department director to receive a reserved space and pay the appropriate fee through payroll deduction. The remaining reserved spaces are available for assignment to State employees based on a waiting list. The total number of reserved spaces as of March 2008 was 239.

Our review of reserved spaces was limited to confirming that spaces were assigned as defined in rule and that appropriate fees were collected. We identified the following issues:

- a. The total number of reserved spaces is 239 and represents 19.9% of the 1,203 total available spaces. This exceeds the 18% limit established in rule.
- b. Three spaces assigned to agency directors were paid for with State agency funds rather than through payroll deduction as required.
- c. Five spaces were not paid for at all. Two of these are assigned to current employees who have not paid. Three were assigned to employees who left State employment more than seven months ago, and the spaces have not been reassigned.
- d. Elected officials have a combined 22 reserved spaces assigned, of which none of the spaces in excess of the nine authorized by rule are paid for or assigned through the established waiting list process.
- e. Two spaces are assigned to the Northwest Power and Conservation Council, which is not a State agency or eligible under existing rules to receive assigned spaces.
- f. Four spaces are assigned to State employees whose official work location is not within the Capitol Mall area, which is a condition defined in rule for retaining a reserved parking space.

Our review was limited as described above and may not have identified all instances of reserved spaces assigned outside the processes and limits defined in administrative rules.

#### Recommendation #7

We recommend that the Department enforce existing administrative rules for reserved parking and ensure that all spaces are paid for and properly assigned.

#### Agency's Corrective Action Plan

The Capitol Mall Parking Team is earnest in its efforts to administer and enforce the parking program according to IDAPA rules. In response to the recommendations in general, there are several points where we would like to offer insight.

- a. There are actually 1,238 parking spaces at and around the Capitol Mall. The Supreme Court parking lot (46 spaces), the Borah parking lot (34 spaces) and visitor and security spaces (40 spaces) are dedicated to those specific buildings and visitors. Therefore, there are only 1,118 spaces that are available for Mall parking. 160 of the 1,118 spaces are reserved, or 14.31% of the total spaces are dedicated to reserved parking—below the 18% required by the Capitol Mall parking rules.

During the three-month legislative session another 103 spaces (the Speaker and Pro-Tem are included in elected official space) are set aside temporarily increasing the percent of Capitol Mall reserved parking spaces to 23.52%. Nevertheless, taking into account the two percentages over a 12-month period, we remain below the 18 limit.

- b. Spaces for directors are either paid by the agency or by the individual director through payroll deduction. This is an issue to be addressed while revisiting the parking rules.
  - c. The audit indicated there were several Capitol Mall employees, who were not paying for a parking permit, i.e.: no payroll deduction. This will be corrected with the changes indicated in recommendation #1.
  - d. The Borah Building is being used as temporary swing space while the Capitol is under construction. The Borah parking lot will become part of the Capitol Mall once the federal tenants have vacated and the elected officials are relocated back to the Capitol. It was ISP's determination that designated spaces are required at the Borah building during its use as temporary swing space in response to security concerns.
  - e. The Northwest Power Planning and Conservation Council is a tenant agency in the Capitol Mall and eligible to participate in the Capitol Mall parking program. The Council rents office space in the PTC Building.
  - f. The IDAPA parking rules permit designated parking for directors of executive departments. Currently, about 3 of the 4 spaces designated for directors are for those from "executive departments." During its FY09 review and revision of the Capitol Mall parking rules, Facilities Services will define, in part, what constitutes an executive department and how payments are to be made for directors' parking spaces (by the agency or the director).
8. Rules over the reserved parking waiting list are not formally established.  
Administrative rules authorize Facilities Services to allot and assign reserved parking spaces. However, the methods and processes described on the Department's Web site for assigning available reserved spaces to employees are not formally established in rule.

According to the Web site, State employees can request to be added to the reserved parking waiting list. The list is maintained by Facilities Services and establishes a priority list for assigning available spaces based on the date requested. When a space becomes available, the employee at the top of the list is contacted and offered the space. The employee can refuse the offered space and remain at the top of the list, but if they decline three times they are placed at the bottom of the list.

Some employees have remained at or near the top of the waiting list for months while spaces are assigned to others lower on the list. These employees have apparently requested not to be contacted when they are at the top of the list to avoid the possibility of declining three spaces and being placed at the bottom of the list. Although the reasons for this are unclear, the process described on the Web site is not consistently followed.

#### Recommendation #8

We recommend that the Department formally establish the rules over the reserved parking waiting list and confirm that established processes are consistently followed.

#### Agency's Corrective Action Plan

In its review and revision of the Capitol Mall parking rules, we will also clearly define reserved Parking Spaces and the reserved parking waiting list process including methods to verify its accuracy. Facilities Services is unaware of any employee on the list who has asked not to be contacted, and would appreciate the audit team sharing with us any information they acquired.

9. The requirements and enforcement of assigned car pool spaces is prone to abuse.

Administrative rules allow Facilities Services to assign reserved parking spaces at no cost for car pool vehicles that carry, on a daily basis, three or more Capitol Mall employees. Car pool vehicles may park in the reserved space if only two people are riding, but under no circumstances may a vehicle park in the car pool space when carrying less than two employees. There were 26 reserved spaces assigned to car pool vehicles as of February 2008. Our review of car pool applications showed that 24 of these were assigned where only two employees were listed.

A waiver of the three employee requirement was issued in January 2000 and reduced the number to two employees, citing that the existing limit did not encourage effective use of car pools. If one person is absent from the car pool, the vehicle is not allowed to park in the space, which leaves the assigned space vacant and likely reduces the availability of general parking. These changes to the requirements are not reflected in the current administrative rules.

These requirements are difficult or impossible to enforce, given the various locations of car pool spaces, times of day when employees arrive, the limited staff available to patrol the lots, and changes in the employment status of participants. In addition, no fee is charged for the space, so no accounting transaction is available to track and monitor the assignments.

The Department recently evaluated and reassigned ten of the assigned car pool spaces.

#### Recommendation #9

We recommend that the Department amend administrative rules to reflect all waivers and consider charging a fee for all assigned car pool spaces to provide an accounting event from which to track and monitor assignments. We also recommend that the Department evaluate assigned car pool spaces to determine if this option is effective and should be continued.

#### Agency's Corrective Action Plan

Due to the current economic dynamics surrounding transportation and commuting challenges faced by all Capitol Mall employees, along with the Governor's effort to diminish green house gas, we expect to see a greater demand for car pool spaces. While revising the parking rules, we will consider providing a limited number of car pool spaces in dedicated locations, and making those spaces available to general parking after a certain time of the day, such as after 9 AM.

#### IV. OTHER OPPORTUNITIES FOR IMPROVEMENT

10. Other considerations to improve the availability of parking.

Parking in the Capitol Mall area is limited and becomes more so during the legislative session when hundreds of legislators, staff, and visitors have reason to come to the area. The addition of the Borah Building and the Capitol Annex as State offices has increased the need for parking, and the pending expansion of the Capitol building will also increase this need. Although not within our primary scope of this review, we offer the following suggestions for improving the availability of parking:

- a. The Permanent Building Fund Advisory Council should reexamine the parking needs for the Capitol Mall in conjunction with the restoration and expansion of the Capitol Building. The timing is appropriate to explore whether current parking facilities are adequate for the short and long term needs of the Capitol Mall, and what funding options are available to address the construction of an additional parking garage as called for in the Department of Administration's Capitol Mall Ten Year Master Plan.
- b. Coordinate with Boise City to provide street metered parking during the session for vehicles displaying a CMP permit.
- c. Contract for additional space in nearby garages and commercial lots.
- d. Enhance incentives for employees and others to use public transit and carpool.
- e. Limit the number of general parking permits issued to no more than 120% of available spaces to improve the likelihood that tag holders can find a space.

Agency's Response

- a. The appropriation of monies to construct buildings is a function of JFAC, not the Permanent Building Fund Advisory Council. The Department of Administration will continue to request additional parking at the Capitol Mall.
- b. Boise City derives income from metered parking spaces. Idaho Code does not currently allow for Capitol Mall parking monies/revenue to be used for supplementing parking by paying for city-operated parking meters.
- c. Idaho Code does not currently allow for Capitol Mall parking monies/revenue to be used for supplementing parking by contracting for additional parking spaces surrounding the Mall.
- d. Up until it was revised just this week [July 28], the State Board of Examiners' *Policy No., 442-50, Part 4.b.* prohibited agencies to subsidize employees for travel to and from work. Consequently, the possibility of an incentive program could be researched.
- e. Limiting parking to 120% of available spaces would mean that 40% of employees working at the Capitol Mall would not be eligible for a parking permit. To be fair, each agency would need to determine who on their staff would be eligible, either by seniority or rank. Another waiting list to that effort would be very difficult to manage as the list could include up to 900 employees prioritized and waiting for an opening.

# AGENCY RESPONSE

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Department of Administration

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July 30, 2008

Gene Sparks, Managing Auditor  
Legislative Auditor's Office  
Statehouse Mail

Dear Gene:

The Department of Administration has had the opportunity to review and respond to the nine recommendations, and five opportunities for improvement provided in the Legislative Auditor's Office FY2005-2207 review of the Capitol Mall Parking Program.

Many of the recommendations listed in the report are ones that Administration staff had recently identified and have been in the process of implementing. We appreciate your impartial review substantiating those areas of needed improvement.

The Department of Administration's Capitol Mall Parking Team receives suggestions on a daily basis related to parking, and we give each one due consideration. The recommendations provided in your legislative review have also provided opportunities to assess the effectiveness of our policies, procedures, and ultimately our services.

We would be happy to provide quarterly status reports of the actions outlined above. Please contact Administration's Chief Financial Officer, Connie Smith, with your response to this correspondence, and subsequent direction. Connie can be reached at 332-1812, and I am also available at 332-1824.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Gwartney".

Mike Gwartney, Director  
Department of Administration

# APPENDIX

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## HISTORY

Created in 1967 and enabled by Idaho Code Title 67, Chapter 57, the Department is organized into four divisions: The Divisions of Insurance and Internal Support, Purchasing, Public Works, and the Office of the Chief Information Officer. It also staffs the Idaho Capitol Commission, the Governor's Housing Committee, the Information Technology Resource Management Council, and the Permanent Building Fund Advisory Council.

In the Boise area, the Department is housed in three separate locations on the Capitol Mall, and at three facilities outside the Capitol Mall. The Division of Public Works has satellite offices in Idaho Falls, Pocatello, Lewiston, and Moscow. Facilities Services manages the two State office buildings in Lewiston and Idaho Falls.

## STATUTORY AUTHORITY

Idaho Code Sections:

67-5705	Public Works
67-5710	Permanent Building Fund Advisory Council
67-5714	Purchasing
67-5742	Federal Surplus Property
67-5745	Information and Technology
67-5746	Inventory Chattel Property
67-5749	Central Postal System
67-5751	Records Management
67-5760	Group Insurance Management
67-5773	Risk Management

## PURPOSE

The purpose of the Department of Administration is to provide administrative, technical, and support services to State agencies. It is a client-oriented organization dedicated to providing quality, cost-effective, administrative, technical, and support services to agencies, policy makers, and other public entities.

## ORGANIZATION

The Department is organized as follows:

**Division of Insurance and Internal Support** provides administrative, fiscal, and human resource services to the Department. It also administers the bond payments program, which consolidates within a single program, funds to pay for capital projects financed with bonds sold by the Idaho State Building Authority. The Division also includes the following:

- **The Office of the Administrative Rules** structures, promulgates, and disseminates all administrative rules subject to the Idaho Administrative Procedures Act.
- **The Office of Group Insurance** negotiates and administers employee group insurance programs, including medical, dental, life, and disability coverages. It administers the integrated behavioral health plan which provides short-term counseling and long-term prescribed care for mental health and substance abuse benefits.

- **The Risk Management Program** provides property and casualty insurance products using a blend of insurance and self-insurance. It manages the settlement of self-insured claims and provides assistance in identifying potential risks and procedures to minimize those risks.
- **The Industrial Special Indemnity Fund** adjudicates claims for total and permanent disability as a result of an employee suffering a second injury in the workplace. It protects the employer who has been encouraged to hire employees with pre-existing conditions.

**Division of Purchasing** supports State agencies with purchasing requirements through the lease or purchase of goods, services, parts, supplies, and equipment. It ensures that agencies obtain quality and cost-efficient goods and services. The Division also includes the following:

- **Central Postal Services** provides U.S. Postal Service bound pick-up and delivery twice daily, handles ground/air express, and pre-sorts items. It provides folding, inserting, and metering services, and distribution of Statehouse Mail.
- **Document Management** offers reproduction services at the Copy Center, as well as workshops and assistance in the procurement of printed materials. It also provides micrographics, records-storage services, and standard forms.
- **Federal Surplus Property Program** assists the U.S. General Services Administration with the donation of federal surplus property to state and local government entities and eligible nonprofit organizations.

**Division of Public Works** develops budgets for State buildings and renovation projects. It oversees the selection of architects and engineers, and provides technical review of project plans and specifications. It supervises the bidding process for building and renovation projects, as well as the actual construction according to approved plans and specifications. The Division also includes the following:

- **The Leased Space Program** prepares requests for proposals for State-leased office space and negotiates lease rates. It oversees leases for approximately 2.2 million square feet of State-occupied space.
- **Facilities Management Services** provides property management services for approximately 790,000 square feet of occupied State-owned buildings. It provides environmental control systems, building maintenance, custodial, and security services.

**Office of the Chief Information Office** provides research to support the Information Technology Resource Management Council directives and policies to improve statewide use of information technologies for the delivery of government services. It includes the following:

- **Information Technology Enterprise Services** maintains the State portal, manages interagency electronic mail, assists with Web page development, supports small agencies, and coordinates statewide data network and Internet access. It provides wide and local area network support, develops and implements statewide IT security strategies, and coordinates incident response.
- **Telephone Services** installs and configures telephone lines, systems, and services. It administers service contracts, statewide long distance, calling cards, and 800 in WAYS, audio conferencing, payphones, and cellular.
- **GIS Service Center** provides GIS application development and integration services.

## **FUNDING**

**General Fund** consists of moneys received into the treasury and not specifically appropriated to any other fund.

**Indirect Cost Recovery 0125-00)** consists of charges to other programs within the Department to allocate administrative overhead costs.

**Permanent Building Fund (0365-00)** consists of a \$10 tax paid by every person and corporation required to file an income tax return; \$5 million per year comes from the sales tax; 17.3% of the 47-cent per pack cigarette tax; 33% of the \$4.65 tax per barrel of 31 gallons of beer sold; one-half of State lottery earnings; interest from the Budget Stabilization Fund, as well as interest from the Permanent Building Fund itself. Moneys are dedicated to building, renovating, or repairing existing structures. It also is used to support certain Public Works' activities and some building bond payments.

**Governor's Residence Fund (0366-00)** consists of gifts, grants, endowments, and funds from the sale of the real estate and residence at 1805 N. 21 Street in Boise. The money is to be used for alterations and repairs to the current Governor's residence.

**Administration and Accounting Services' (0450-00)** revenues derive from billing for services including telephone, postal, building space, parking, purchasing, and record management. It also includes funding for interagency services provided by the Department. Some building bond payments come from this fund.

**Employee Group Insurance (0461-00)** is funded by a per-employee payment by each agency to fund the Group Insurance Program.

**Retained Risk (0462-00)** are funds from all premiums and surcharges received under Idaho Code, Section 67-5777 used solely for payment of premiums and cost of insurance management.

**Administrative Code (0475-05)** moneys are generated from user fees to cover the ongoing operational costs of the program.

**Capitol Endowment Fund (0481-09)** consists of revenues received from the endowment lands within the State of Idaho. They money is to be used for construction, reconstruction, repair, renovation, furnishings, equipment, and other permanent improvements to the public buildings at the Capitol.

**Industrial Indemnity (0519-00)** is used to pay claimants who have suffered an industrial injury subsequent to either a pre-existing physical impairment or condition that renders the claimant totally and permanently disabled.

**Surplus Property (0456-00)** is used to manage federal surplus personal property available for donation to eligible health and educational institutions, units of State and local government, and civil defense organizations. Funds are derived from charges assessed on any recipient of federal surplus property for the acquisition, warehousing, distribution, or transfer of such property.

**Economic Recovery Reserve (0150-01)** moneys are used for one-time needs.

**Federal Grant (0348-00)** includes moneys received from the federal government for various activities and program.